

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.89%	0.81%	\$1,761.20	\$82.65	0.75%	0.32%	1.43%	0.42%	84.70	96.82	114.50	12.91	
7,248.44	12,724.21	(per ounce)	(per barrel)	60,737.05	28,140.28	3,156.42	3,561.76	BUY TK	85.70	100.62	118.30	13.57

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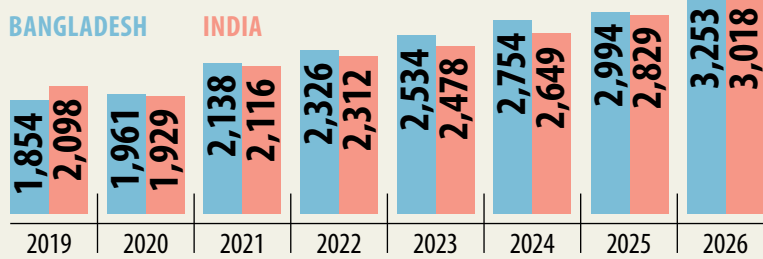
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Star BUSINESS

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Bangladesh keeps outrunning India in per capita GDP race

PER CAPITA GDP FORECAST BY IMF IN DOLLARS



GDP AT CURRENT PRICES

BANGLADESH
2021: \$355b
2026: \$565b

INDIA
2021: \$2,946b
2026: \$4,393b



SOURCE: WORLD ECONOMIC OUTLOOK, OCT 2021

REJAUJI KARIM BYRON and SOHEL PARVEZ

Bangladesh is forecast to remain ahead of India in terms of per capita gross domestic product (GDP) in the next five years to 2026 powered by buoyancy in remittance, exports and agricultural activities.

With \$355 billion, Bangladesh, the second-biggest economy in South Asia, first overtook India in 2020 in terms of per capita GDP, a measure of the economic prosperity of a nation, thanks to its more than 6 per cent annual economic expansion for the last 15 years.

Bangladesh managed to grow even during the pandemic when most of the economies contracted. India, one of the main economic powerhouses in Asia, saw its economic output decline to \$2,660 billion in 2020 as it suffered a severe setback from the crisis. As such, its per capita GDP declined to \$1,929 from \$2,098 in 2019, according to the World Economic Outlook database of the International Monetary Fund (IMF).

Last year, the IMF projected that per capita GDP for India was likely to grow to \$2,030 in 2021, and Bangladesh's per capita GDP would grow by 5.4 per cent

to \$1,990. This meant that the country's achievement would be short-lived.

But on Tuesday, the lender forecast that Bangladesh's per capita GDP would accelerate to \$2,138 this year, and India's to \$2,116. And Bangladesh will continue outrunning India for the next five years as well.

The IMF said India's economy rebounded by 9 per cent in 2021. Yet, the growth is not going to enable India to surpass its close neighbour in terms of per capita economic output.

Driven by steady economic growth, Bangladesh is forecast

to have an 8 per cent higher per capita GDP at \$3,253 in 2026 than India's \$3,018.

Bangladesh's GDP will stand at \$565 billion five years later. India's size will be \$4,393 billion.

"The good news is Bangladesh is catching up on the per capita income metric," said Zahid Hussain, a former lead economist at the World Bank's Dhaka office.

"This is true generally in relation to the rest of the world and our biggest neighbour, India. It goes to show the dynamism of Bangladesh's economy in normal times and resilience in crisis."

He, however, says people

need to be more guarded in reaching conclusions on whether Bangladesh has become richer than India in terms of income per capita.

"The answer is yes if you compare GDP per capita in current US dollars as reported in the IMF's report."

"The conclusion will be very different when you compare nominal GDP per capita in US dollars adjusted for differences in purchasing power of national currencies."

Purchasing Power Parity (PPP)-based GDP is calculated by dividing nominal GDP by the PPP exchange rate. The latter reflects the purchasing power of the national currency relative to that of the US dollar in the US.

Bangladesh's PPP exchange rate is Tk 33 per USD in 2021 compared to India's 22 rupees. This means it takes Tk 33 to buy in Bangladesh what one American greenback can fetch in the US.

The same basket costs 22 rupees in India. Thus, the purchasing power of the Indian currency is 33 per cent higher than the purchasing power of the taka.

Citing IMF's report, Hussain said based on the PPP exchange rates, per capita GDP in India in 2021 is \$7,319, which is 27 per cent higher than Bangladesh's \$5,733.

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E-COMMERCE SCAMS

Another committee formed to protect customers, merchants

REFAYET ULLAH MIRDHA

The government has formed a new committee to bring all e-commerce firms in Bangladesh under one umbrella and safeguard the interests of the consumers and merchants who were deceived.

The 15-member body was set up on Tuesday as per instruction of the cabinet division. It will prepare a report on how to protect the interests of consumers and merchants and submit it to the cabinet division within a month.

The new committee came as the government tries to restore the trust of the customers in the burgeoning sector after several firms were found to be involved in deceiving online shoppers through unprecedented discounts and misappropriating thousands of crores of taka.

AHM Shafiquzzaman, additional secretary of the commerce ministry, will head the committee. He was also appointed the chief of the Digital Commerce Cell of the ministry.

"I have called the first meeting of the committee," he said. The meeting will be held on October 18.

The committee will also put forward proposals to bring all e-commerce-related ministries, divisions, departments, directorates, and organisations under one digital platform, according to a circular.

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POST-LDC ERA BGMEA urges EU to continue trade benefits

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged the EU to continue providing trade benefits to Bangladesh for 12 years after the country's graduation to a developing nation in 2026.

The extension would help Bangladesh make a smooth transition from the UN's least developed category and prepare for all post-graduation challenges, said Faruque Hassan, president of the BGMEA.

Hassan made this request during a meeting with Charles Whiteley, the EU's ambassador to Bangladesh, at the BGMEA office in Dhaka's Gulshan area.

Hassan appreciated the newly appointed EU ambassador about the present situation of Bangladesh's garment

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JUTE INDUSTRY

Bangladesh will welcome Russia's investment: PM

BSS, Dhaka

Prime Minister Sheikh Hasina yesterday laid emphasis on expanding fields of cooperation with Moscow, saying Bangladesh will welcome Russia's investment in its jute industry.

"Bangladesh will welcome Russian investment in jute," the

premier said while newly appointed Russian Ambassador to Bangladesh Alexander Vikentyevich Mantytskiy called on her at her official residence Gono Bhaban in the capital.

Prime Minister's Press Secretary Ihsanul Karim briefed the newsmen after the meeting. He said both of them stressed the expansion of areas of cooperation in various sectors alongside agreeing to explore the possibilities in the agriculture sector.

The prime minister highly appreciated Russian cooperation with Bangladesh in different sectors, particularly in building Rooppur nuclear power plant.

Profoundly recalling the support of the then Soviet Union during the Bangladesh's War of Liberation, she said, "The country has supported us strongly at our struggling time (during the War of Liberation). So they are in a special place of our heart."

Sheikh Hasina mentioned that many Bangladeshi students had studied in Russia, especially in medical science.

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Sheikh Hasina

JAGARAN CHAKMA

Pharmaceuticals shipment from Bangladesh grew 33 per cent year-on-year in the first quarter of the current fiscal year on the back of anti-coronavirus drugs and cash incentives of the government.

Medicines worth \$56 million were exported in the July to September period, which was \$42.17 million in the same three-month period in the last fiscal year, data from the Export Promotion Bureau showed.

Bangladesh mainly exports medicines related to malaria, tuberculosis, cancer, leprosy, anti-hepatic, penicillin, streptomycin, kidney dialysis, homeopathic, biochemical, Ayurveda, and hydrocele.

Last year, the country started exporting the generic version of anti-coronavirus drugs as the world desperately tried to find answers to the pandemic. The shipment has kept growing since then, giving a leg-up to exports.

The shipment of anti-viral drugs Remdesivir, which is used to treat coronavirus patients, fueled the export growth. An additional \$10 million worth of the drugs are being exported every quarter, according to market players.

At least 10 companies, including Eskayef, Square, Beacon, Acme and Incepta are exporting anti-coronavirus drugs.

Bangladesh exports pharma products to 151 countries and meets 98 per cent of the domestic demand.

Pharma exports surge 33pc

Thanks to anti-coronavirus drugs

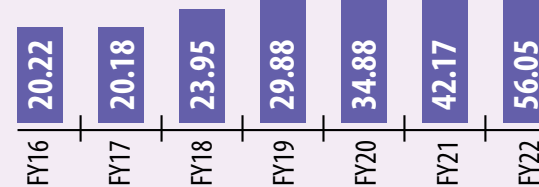
REASONS FOR RISING EXPORT

- » Companies becoming serious about quality of products
- » Coronavirus medicines such as remdesivir boosted shipment
- » Cash incentive of 10% on exports played significant role

SHIPMENT IN JUL-SEP

In million \$

SOURCE: EPB



SM Shafiquzzaman, secretary-general of the Bangladesh Association of Pharmaceutical Industries, said the export of pharmaceuticals would increase rapidly in the coming years as new drugs were being introduced, and the country enjoyed patent waiver on manufacturing the generic version of any medicine.

Binay Das, executive general manager for marketing at Eskayef Pharmaceuticals Ltd, says local pharmaceutical companies can supply world-class medicines at lower cost.

"Anti-coronavirus drugs are helping the

pharmaceuticals sector boost exports."

In the last one and a half years, Eskayef shipped a huge quantity of Remivir, the world's first generic version of Remdesivir.

The accreditation of Eskayef's manufacturing facility by the UK, Australia, and the European Union has enabled it to sell products in many developed countries.

"A quick decision by the Bangladeshi companies to manufacture anti-coronavirus drugs for the treatment of patients at home

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PRICE HIKE OF INDIAN ONION

Import from alternative sources on the rise

MOHAMMAD SUMAN, Ctg

Onion imports from countries other than India are on the rise as prices of the kitchen staple are higher when brought in from the neighbouring nation.

The price of Indian onions has increased by 83 per cent at wholesale markets in Chattogram in just over a month.

Indian onions sold at Tk 55 per kilogramme (kg) at wholesale yesterday while it was Tk 30 in mid-August.

Some 7,500 tonnes of onion from Myanmar entered Bangladesh through Teknaf land port while 496 tonnes have arrived through Chattogram port from Egypt and Turkey since September 3.

At least 6,000 tonnes of this amount are waiting to be unloaded at the ports.

"Even a week ago, an average of just



five to 10 trucks of onions would enter the country through Teknaf land port while the average is now about 100 to 120 trucks a day," said Abdur Nur, revenue officer of the Teknaf Land Port Custom Station.

Onion imports from Myanmar

started from September 3. Before that, one or two trucks of the vegetable would come each week but at present, about 90 per cent of the total imports are from Myanmar alone, Nur told The Daily Star.

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